

March 15, 2005

Larry E. Craig United States Senator 520 Hart Senate Office Bldg. Washington, D.C. 20510 The Honorable Mike Johanns
Secretary
U.S. Department of Agriculture
14th & Independence Avenue, SW
200-A Jamie Whitten Federal Building
Washington, D.C. 20250

Dear Mr. Secretary:

Currently an over supply of storage potatoes is clogging commercial channels and depressing producer prices. To help address this critical problem, we hope that you will consider approving significant purchæes of potatoes and potato products this year under the Section 32 program and the new Potato Pilot Substitution Program.

Mike Crapo United States Senator 239 Dirksen Senate Office Bldg. Washington, D.C. 20510 When growers have periods of unusually high yields and resulting low prices, the Section 32 program serves to stabilize their marketand allow them to continue to survive in an already rigid marketplace where small changes in price or supply dramatically impacts their ability to compete in the market. This current situation is compounded by dramatic increases in imports of processed potato products from Canada. While U.S. potato producers have reduced or kept planted acres at pre 2004 levels, acreage in Canada has grown dramatically.

Mike Simpson Member of Congress 1339 Longworth H.O.B. Washington, D.C. 20515 Therefore, we urge that you consider significant Section 32 purchases in two areas:

(1) The Potato Pilot Substitution Program allows schools to request specific commercially produced potato products. This pilot program is popular with the schools and is ready for expansion nationwide. The program would allow all growers to benefit from the removal of bulk potatoes, but also would allow individual growers to submit bids for product directly to USDA.

C.L. "Butch" Otter Member of Congress 1711 Longworth H.O.B. Washington, D.C. 20515 (2) The traditional Section 32 bonus buy program is aimed at surplus fresh, dehydrated and processed potato products. Under similar circumstances in FY 2001, the USDA purchased an estimated \$36 million of these products which helped to stabilize a similar market situation.

Your assistance in assuring that a substantial purchase is made would be appreciated.

Larry Craig

United States Senate

Mike Chapo

United States Senator

Mike Simpson
Member of Congress

Member of Congress